

## **Appendix A. Descriptions of Programs Utilizing Proposed Increased Funding**



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### **The Cape Light Compact Energy Efficiency Plan 2007-2012**

### ***2008 EEP Update***

**Providing Comprehensive Energy Efficiency Services  
to Cape Cod and Martha's Vineyard  
Through Municipal Aggregation**

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**August 13, 2008**

## **The Cape Light Compact as Municipal Aggregator**

The Massachusetts Electric Utility Restructuring Act of 1997 allows municipalities that aggregate electricity customers to: (1) formulate an Energy Efficiency Plan, (2) submit the plan to town meetings for approval, (3) submit the plan to the Massachusetts Department of Public Utilities (formerly the Department of Telecommunications and Energy (the “Department” or the “DPU”)) for review and certification; and (4) recover the energy efficiency funds raised from consumers for use in implementing local energy efficiency programs.

The Cape Light Compact (the “Compact”) was formed in 1997 following two years of study and votes of town meeting, boards of selectmen, and town council. It is organized through a formal intergovernmental agreement signed by the towns and Barnstable and Dukes Counties. The Compact’s Aggregation Plan was approved by the Department in DTE 00-47 (August 10, 2000).

The purpose of the Compact, among other things, is to advance the interests of consumers in a competitive electric supply market, including the promotion of energy efficiency. Each participating municipality has a representative on the Compact Governing Board, which sets policy and works with technical and legal support to put the Compact programs in place.

The Energy Efficiency Committee of the Compact Governing Board unanimously approved this Energy Efficiency Plan Update (the “EEP Update”) on August 13, 2008.

## **Urgent Need to Serve 2008 Residential Heating Customers**

The continued increases in price and volatility of fuel oil, natural gas and electricity underscore the benefits of and urgent need to reduce energy use through increased spending for residential energy efficiency heating programs as soon as possible in advance of this winter 2008 – 2009. The newly enacted Green Communities Act (St. 2008, Chapter 169) will enable increased funding for energy efficiency programs offered in program years 2010 – 2012. However, the Compact and all energy efficiency program administrators (the “PAs”) have been directed by the Division of Energy Resources (the “DOER”) and DPU to “file proposals to increase spending for residential heating programs effective as soon as feasible, and covering the 2008 winter season.”<sup>1</sup> The DPU requested proposals be filed no later than August 15, 2008 for increases in funding for programs for the upcoming winter season.

On August 7, 2008, the DPU issued a letter to all energy efficiency PAs directing them to file 2009 energy efficiency plans on or before December 1, 2008, so that the PAs can address increased funding to meet the immediate needs of the upcoming winter heating season and transition to new joint three year plans mandated by the Green Communities Act.

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<sup>1</sup> DPU Memorandum from Hearing Officer Benjamin Spruill dated August 1, 2008 re: Request to Increase Funding for Residential Energy Efficiency Programs.

## Update to 2008 Energy Efficiency Programs

The programs included in this EEP Update are limited to those that, based on vendor support, can implement the maximum achievable level of cost-effective expenditures in residential and low income energy efficiency programs for winter 2008. This EEP Update is an update to and is consistent with the Compact's existing DPU-approved Energy Efficiency Plan: 2007 – 2012 (the "EEP")<sup>2</sup>. In addition to the specific increased funding proposed through the identified program delivery vendors, the Compact has developed methods to advance consumer awareness and adoption of energy efficiency measures. Energy efficiency initiatives at the community level present opportunities for extensive local involvement, and help develop an energy efficiency ethic that can support market transformation beyond the implementation of individual technologies or practices, resulting in long-term, sustained energy efficiency savings.

The Compact's updated 2008 programs are designed to comply with state energy efficiency goals and policies and to meet the urgent residential heating needs of customers this winter. The updated programs are consistent in design and delivery with those previously approved by the DPU. In this way, the marketing and delivery of the increased services can address the unique character of the Compact communities.

The updated 2008 programs included in this EEP Update are: (a) baseload, weatherization and heating system repair/retrofits for low-income Single Family customers, (b) weatherization for low-income Multi-Family customers, (c) residential weatherization and heating system retrofits through the RCS/MassSAVE program and, (d) increased public education and outreach efforts that underlie the delivery of all of the Compact's programs.

This EEP Update includes the following programs (*program enhancements are noted by bold and italic text*):

- The Low-Income Single Family Program, which provides low-income customers in single-family dwellings with assistance in purchasing and installing efficient lighting, appliances, and weatherization measures. *The Compact is working with its program vendor Housing Assistance Corporation, the Low Income Energy Affordability Network ("LEAN") and the Department of Housing and Community Development (the "DHCD") to target increased program funding to residential heating measures, including weatherization measures and heating system replacements.*
- The Low-Income Multi-Family Program, which provides owners and managers of low-income multi-family dwellings with assistance in purchasing and installing efficient lighting, appliances and space heating measures. *The Compact is working with its program vendor Housing Assistance Corporation, LEAN and DHCD to*

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<sup>2</sup> The DPU approved the Compact's current Energy Efficiency Plan: 2007 – 2012 on December 24, 2007 (D.P.U. 07-47). The EEP contemplated filing updated budgets on an annual basis and "in response to market developments or other changes to the energy efficiency industry in Massachusetts." (EEP at p. 4.)

*target increased program funding to residential heating measures, including weatherization measures.*

- The Residential Massachusetts Home Energy Services Program (“MassSAVE”), which provides interested residential customers with a home energy audit and financial incentives for numerous electric and non-electric (such as thermal and space heating) efficiency measures. *In addition the Compact is working closely with its program delivery vendor, RISE Engineering, and is proposing to implement the changes offered by the MassSAVE/RCS Network consistent with the DOER response of July 31, 2008,<sup>3</sup> including:*

*(1) working with LEAN and its members to increase customer incentives from 50% to 100% of the value of eligible installed thermal measures for customers with household incomes between 60% – 80% of median income;*

*(2) increasing customer incentives from 50% to 75% of the value of eligible installed thermal measures, up to \$2,000, for customers with household incomes above 80% of median income to assist customers who wish to implement cost-effective measures;*

*(3) modifying the HEAT Loan offer to allow customers to receive incentives in addition to the zero or low interest HEAT Loans of up to \$10,000 contemplated by the HEAT Loan pilot program required by the Green Communities Act; and*

*(4) increasing outreach and promotion of programmable thermostat rebates and weather sensitive heating system controls through retailers, distributors and heating contractors<sup>4</sup>.*

### **Increased Public Education and Outreach**

In addition to the above program enhancements, the Compact will utilize its extensive network at the community and local government level to help increase customer awareness of energy efficiency programs and facilitate greater program participation by:

1. Expansion of its compact fluorescent lamp (“CFL”) giveaway program for civic and community group events. The Compact has been providing CFLs for non-profit agencies to give away at community events, in order to increase visibility of available programs and participation. Since 2007, the Compact has been represented at over 50 community events and has distributed over 5,900 CFLs. Currently, the program is restricted to a small amount of bulbs per organization per year, and demand has risen dramatically. The Compact proposes to expand the program to include a more formalized process that includes the ability of

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<sup>3</sup> Letter from Mike Sherman, Energy Efficiency Group Manager (DOER), to the MassSAVE/RCS Network (July 31, 2008).

<sup>4</sup> The Compact is working with Cape and Islands Self Reliance to promote the installation of heating system energy efficiency measures, specifically to their oil cooperative members and dealers.

community organizations to request speakers, demonstrations, and product to begin saving energy today. This has proven to be a very effective method of dissemination of information with a very low implementation cost.

2. Outreach to human services agencies and faith-based organizations. For the past couple of years, the Compact has been working with faith-based organizations on the Cape and Vineyard. Recently, requests from religious groups for information and speakers have increased dramatically. In response, the Compact has been meeting on a monthly basis to organize an event to provide a forum for faith-based advocates to work together to help their constituents during the winter, when many may have issues paying their utility bills. Through this effort, the Compact has developed relationships with many of the key human service agencies as well as the faith-based organizations. These agencies and organizations are focused on community service and are trusted within their communities. All of the agencies and organizations have indicated their willingness to help increase marketing of available programs through their agencies and organizations.
3. Continuing to find new opportunities, technologies and practices in collaboration with community advocates, town energy committees, town/government leaders and the emerging clean-energy workforce. The Compact, in an effort to create new, innovative programs for the Cape and Vineyard, has been working in collaboration with many different groups to look at the viability of programs that focus on energy savings, but that do not fit into currently existing programs. The Compact has already started a pilot program to replace existing hot water heaters for families of four or more with solar domestic hot water. Additionally, the Compact is examining potential programs for major energy efficiency renovations and superinsulation. In anticipation of the goal of least-cost procurement in the Green Communities Act, the Compact is evaluating technologies and practices in the near-term but is not proposing adding new programs in 2008. Program changes, or new programs, resulting from this examination will be proposed in future Compact energy efficiency plans (2009 and beyond).